

# NEW WAVE INC.

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The Honorable William Kennard  
Federal Communications Commission  
1919 M Street, N.W.  
Room 814  
Washington, D.C.  
20554

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February 13, 1998

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Ref: Docket 97-82

Dear Chairman Kennard,

Please find attached a copy of TRA's Year End Survey of Wireless Resellers, which updates the study I submitted to you on January 20, 1998. The study reaffirms our earlier observations about the difficulty wireless resellers experience obtaining fair and reasonable terms and conditions from existing wireless carriers. We believe the results of this study underscores the need for a viable C-Block.

The so-called "resale blockade" comes at a time when wireless carriers are "calling off the price wars" and focusing on "big spending corporate users." Resellers like New Wave Inc. are poised to provide new affordably priced services to consumers and compete with the incumbent carriers if given the opportunity.

We hope that you will keep the interests of resellers in mind when you reconsider the Restructuring Order issued last fall, and we urge you to adopt a commercially reasonable solution.

Sincerely,

  
Monuj Bose  
CEO

cc: The Honorable Susan Ness  
cc: The Honorable Harold Furchtgott-Roth  
cc: The Honorable Michael Powell  
cc: The Honorable Gloria Tristani  
cc: Mr. Daniel Phythyon

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**1997 Year End Survey  
of  
Wireless Resellers**

**Telecommunications Resellers Association  
1730 K Street, N.W., Suite 1201  
Washington, D.C.  
202.835.9898 (f) 202.835.9893**

## **Introduction**

The Telecommunications Resellers Association's 1997 Year End Survey of Wireless Resellers was performed in January and February of 1998. Questionnaires were mailed to all wireless resellers TRA has identified in the United States. Of those polled, 44% completed and returned the questionnaire to TRA headquarters for tabulation. A copy of the survey questionnaire is included with this document.

Founded in 1992, TRA is the Washington, D.C.-based national organization for resellers of telecommunications services, representing over 650 companies involved in the resale of domestic and international long distance, local, wireless and enhanced telecommunications services. TRA was created and carries a continuing mandate to foster and promote telecommunications resale, to support the telecommunications industry, and to protect and further the interests of entities engaged in the resale of telecommunications services.

If you have any questions or would like additional information regarding the attached survey or TRA, please contact David Gusky at 202.835.9898, ext. 3006.

# **TRA's 1997 YEAR END SURVEY OF WIRELESS RESELLERS**

## **Summary of Results**

(Except as otherwise indicated, the percentage of respondents falling into each category under a particular question includes only those respondents who answered that question.)

<b>1. Years in Business:</b>	Average of Responses:	<u>6.5 years</u>
	Less than 5 Years:	51.4%
	5 - 10 Years:	32.4%
	Over 10 Years:	16.2%
<b>2. Number of Employees:</b>	Average of Responses:	<u>77 employees</u>
	Less than 50:	54.0%
	50 to 100:	18.9%
	101 to 200:	16.2%
	Over 200:	10.8%
<b>3. 6-Month Revenues (July 1, 1997 to December 31, 1997):</b>	Average of Responses:	<u>\$7,379,898</u>
	Less than \$2 million:	35.7%
	\$2 million to \$5 million:	32.1%
	\$6 million to \$20 million:	17.9%
	Over \$20 million:	14.3%
<b>4. Number of Subscribers (as of December 31, 1997):</b>	Average of Responses:	<u>23,000 subs.</u>
	Less than 5,000:	29.4%
	5,000 to 10,000:	23.5%
	11,000 to 25,000:	17.6%
	26,000 to 50,000:	14.7%
	Over 50,000:	14.7%
<b>4a. Average Subscriber Growth Between July 1, 1997 and December 31, 1997:</b>	Among companies reporting and in business more than 1 year:	12.5%
<b>5. Services Offered by Company:</b>	Cellular:	100.0%
	PCS:	26.3%

Paging:	76.3%
Long Distance:	57.9%
Local:	23.7%
SMR (specialized mobile radio):	18.4%

**6. Company has cellular resale agreements with the following carriers:**

Carriers Identified Most Often:

AirTouch	45.9%
AT&T Wireless	40.5%
BellSouth Mobility	32.4%
Ameritech	21.6%
GTE	16.2%

<b>7. Is company reselling PCS?</b>	Yes	10.5%
	No	89.5%

**8. Company has PCS resale agreements with the following carriers:**

Carrier(s) With Highest % of Responses:

Pacific Bell	50.0%
(no other carrier had significant percentage)	

**9. If company is not reselling PCS, please explain why.** (The following percentages include only those companies which are not reselling PCS. The total of these percentages exceeds 100% since some companies cited more than one reason.)

Company is not interested in reselling PCS at this time:	11.8%
PCS carrier said it did not offer a resale agreement:	79.4%
PCS carrier would not provide billing tape:	26.5%
PCS carrier ignored requests for resale agreement:	2.9%
PCS resale rates unreasonable:	2.9%
PCS carrier claims system not ready:	2.9%

<b>10. Is company reselling SMR services?</b>	Yes	00.0%
	No	100.0%

**11. Company has SMR reselling agreements with the following carriers:**  
(No carriers were listed. See question #10.)

**12. If company is not reselling SMR services, please explain why.** (The total of the following percentages exceeds 100% because some companies listed more than one reason.)

Company is not interested in reselling SMR services at present:	47.4%
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SMR carrier said it did not offer a resale agreement:	47.4%
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SMR carrier would not provide billing tape:	13.2%
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SMR carrier still preparing resale agreement:	2.6%
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**13. Average monthly retail cellular/PCS retail bill:**

Average of Responses:	<u>\$58.74</u>
Less than \$40:	12.1%
\$41 to \$50:	27.3%
\$51 to \$60:	27.3%
\$61 to \$80:	18.2%
Over \$80:	15.2%

**14. Average minutes of use per subscriber, per month:**

Average of Responses:	<u>114 MOUs</u>
51 to 75:	23.5%
76 to 100:	26.5%
101 to 125:	17.6%
126 to 150:	11.8%
Over 150:	20.6%

<b>15. Average wholesale/retail margin:</b>	Average of Responses:	<u>27.0%</u>
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Less than 20%:	33.3%
21% to 25%:	12.1%
26% to 30%:	18.2%
31% to 35%:	15.2%
36% to 40%:	12.1%
Over 40%:	9.1%

**16. Average per subscriber acquisition cost:**

Average of Responses:	<u>\$188</u>
Less than \$101:	32.3%
\$101 to \$200:	29.0%
\$201 to \$300:	25.8%
Over \$300:	12.9%

**17. Percentage of company's new subscribers who are first-time wireless users:**

Average of Responses:	<u>40.0%</u>
Less than 21%:	31.0%
21% to 40%:	34.5%
41% to 60%:	10.3%
Over 60%:	24.1%

**18. How do company's average cellular/PCS retail rates compare to retail rates offered by company's underlying carrier(s):**

More than 10% lower:	21.0%
Between 5% and 10% lower:	34.2%
About the same:	28.9%
Between 5% and 10% higher:	10.5%
More than 10% higher:	5.3%

**19. Does company serve any of the following niche markets?**

Small business:	68.4%
Credit challenged:	42.1%
Colleges and universities:	10.5%
Government agencies:	13.2%
Minority:	13.2%
Other:	15.8%

**20. Does company offer innovative services not offered by its underlying carrier(s)?**

Yes	55.3%
No	44.7%

**Some services identified:**

Convergent billing

Bundled services

Prepaid service

Off-the-shelf retail products

Unique minutes-of-service price plans

Rental phones

Toll-free long distance



# TRA'S 1997 YEAR-END SURVEY OF WIRELESS RESELLERS

The Telecommunications Resellers Association's biannual survey of wireless resellers produces an accurate measure of the current state of the wireless resale industry and a history of the industry's development. **Please complete and fax the survey, without cover page, to TRA at 202.835.9893 by Friday, January 23.** Call David Gusky at 202.835.9898, x3006 if you have questions or need more information. Thank you.

1. Years In Business: \_\_\_\_\_ 2. Number of Employees: \_\_\_\_\_
3. 6-Month Revenue (7/1/97 - 12/31/97): \$ \_\_\_\_\_
4. Number of Subscribers: (12/31/97) \_\_\_\_\_ (6/30/97) \_\_\_\_\_
5. Services Offered: ☐ Cellular ☐ PCS ☐ Paging ☐ Long Distance ☐ Local Exchange ☐ SMR  
.....
6. Company has **cellular** resale agreement(s) with the following carrier(s):  
1 \_\_\_\_\_ 2 \_\_\_\_\_ 3 \_\_\_\_\_ 4 \_\_\_\_\_ 5 \_\_\_\_\_
7. Is Company reselling **PCS**? ☐ Yes ☐ No
8. If you said "yes" to #7, list the **PCS** carrier(s) you have a **resale** agreement with: (do not list carriers with which you have an **agent** contract):  
1 \_\_\_\_\_ 2 \_\_\_\_\_ 3 \_\_\_\_\_ 4 \_\_\_\_\_ 5 \_\_\_\_\_
9. If Company is **not** reselling **PCS**, please explain why?  
☐ Company is not interested in reselling PCS at this time  
☐ PCS carrier said it did not offer a resale agreement  
☐ PCS carrier would not provide billing tape  
☐ Other (please elaborate) \_\_\_\_\_
10. Is Company reselling **SMR** (specialized mobile radio) services? ☐ Yes ☐ No
11. If you said "yes" to #10, list the **SMR** carrier(s) you have a **resale** agreement with: (do not list carriers with which you have an **agent** contract):  
1 \_\_\_\_\_ 2 \_\_\_\_\_ 3 \_\_\_\_\_ 4 \_\_\_\_\_ 5 \_\_\_\_\_
12. If Company is **not** reselling **SMR services**, please explain why?  
☐ Company is not interested in reselling SMR services at this time  
☐ SMR carrier said it did not offer a resale agreement  
☐ SMR carrier would not provide billing tape  
☐ Other (please elaborate) \_\_\_\_\_  
.....
13. Avg. monthly retail cellular/PCS bill: \$ \_\_\_\_\_
14. Avg. mins. of use per sub., per month: \_\_\_\_\_
15. Average wholesale/retail margin: \_\_\_\_\_%
16. Avg. per subscriber acquisition cost: \$ \_\_\_\_\_
17. Percentage of Company's new subscribers who are first-time wireless users: \_\_\_\_\_%  
.....
18. How do Company's avg. cellular/PCS retail rates compare to retail rates offered by Company's underlying carrier(s):  
☐ Between 5% and 10% below ☐ About the same ☐ Between 5% and 10% above  
☐ More than 10% below ☐ More than 10% above
19. Does Company serve any of the following niche markets?  
☐ Small Business ☐ Government Agencies  
☐ Credit Challenged ☐ Minority  
☐ Colleges & Universities ☐ Other \_\_\_\_\_
20. Does Company offer innovative services not offered by its underlying carrier(s)?  
☐ Yes ☐ No If yes, please list \_\_\_\_\_